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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



ISMAEL AHMED
DIRECTOR

November 14, 2007

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, MI 48933

The Honorable Dudley Spade, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, MI 48933

Dear Senator Hardiman and Representative Spade:

Section 902(3) of 2006 Public Act No. 345 requires the Department of Human Services (DHS) to submit quarterly reports to the legislature on expenditures and improvements made as a result of this section of the appropriations act.

Please accept this letter as the DHS's fourth quarterly report for fiscal year 2007. A total of \$2,300,000 of Michigan Arrearage Collection Special Project (MACS Project) funding has been expended on Michigan Child Support Enforcement System (MiCSES) improvements. All of these funds have been spent and no remaining funds exist.

DHS continues to work on project details with Public Consulting Group (PCG) and Muskegon County Friend of the Court which is the only court that volunteered to participate in a revenue maximization pilot project to improve child support collections. This project will be operational shortly and mandates that cases that have not received a payment in over 90 days will be referred to PCG for collection activities. PCG will be paid based on the increase in TANF recoveries generated through this pilot. Once the pilot is completed, an evaluation of the project will determine what changes, if any, are necessary and Friends of the Court in all other counties will be given the opportunity to participate in a statewide project. The Office of Child Support also began working with GC Services on another pilot project for collection of child support arrearages. Calhoun County has volunteered to participate in this pilot project and discussions regarding contractual issues are proceeding.

If you have any questions, please contact John Sorbet, chief administrative officer, DHS, at (517) 373-7787.

Sincerely,

Ismael Ahmed

c: Senate and House Appropriations Subcommittee on DHS
Senate and House Fiscal Agencies

State Budget Director